North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services
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Michael F. Easley, Governor   Michael Moseley, Director
Carmen Hooker Odom, Secretary

December 14, 2005

MEMORANDUM

TO: LME Directors

FROM: Mike Moseley

SUBJECT: Application to Perform Utilization Review and After-Hours Screening, Triage, and Referral

In accordance with Secretary Carmen Hooker Odom's plan to achieve cost efficiencies and improve consistency in the performance of certain Local Management Entity (LME) functions, the Department of Health and Human Services plans to select a LME from each alliance/region/partnership to perform utilization review and after-hours screening, triage and referral activities for all LMEs in the group. The attached application and all required supporting documentation must be submitted to Dick Oliver, LME Team Leader, by **January 10, 2006**, by any LME wishing to be considered for selection.

All LMEs in any given alliance/partnership/region may apply to perform these functions. DHHS will select LMEs based upon the quality of the application, credentials of staff, demonstrated competence, and the cost proposals. LMEs that intend to apply are requested to notify Dick Oliver of their intent by **December 22, 2005**. The Division will then inform interested LMEs regarding the acceptable parameters for their cost proposal, taking into consideration the population base of the area they are proposing to serve. DHHS will finalize its selections and notify the chosen applicants by January **30, 2006**.

If you have questions regarding this application or the required information, please contact your LME Team liaison or Dick Oliver at 919-715-1294 or Dick.Oliver@ncmail.net.

cc: Secretary Carmen Hooker Odom
    Allen Dobson
    Executive Leadership Team
    Management Leadership Team
    Carol Duncan Clayton
    Patrice Roesler
    Kory Goldsmith
    Chair, Coalition 2001
    Chair, Commission for MH/DD/SAS
    Chair, State CFAC

I. **Overview of Information Systems Requirements for URL – PA Processing**

As an overview, please be prepared to deliver and discuss the following

- Deliver a high level description of your prior-approval business process.
- Attached is a file layout that will need to be produced from your system. This file will hold authorization data for certain Medicaid services requested by your client or providers. This file will be sent from your system to EDS. Be prepared to demonstrate that this file can be produced from your system. An actual file (electronic .TXT, RTF, DOC, etc) will be the acceptable format of this file.
- Discuss how this file will be produced (high to mid-level detail).
- Discuss the means by which you will securely transmit this data to EDS (via State Vendor).
- Discuss how you will know the status of this transmission from EDS (if appropriate).
- Discuss how this data will be secured (password protected, zipped/encrypted, Secure F/X).

Other questions regarding your system's security profiles, data security, and approval tracking will likely be covered in this discussion.
The expectation is that no more than two hours will be necessary for this discussion.

II. **LME U/R I.S. Evaluation Checklist**

The checklist below (Section II) is provided to give a guide on the topics to be covered during the site visit. The checklist below should be reviewed and understood by the LME in order to discuss and demonstrate (when applicable).

During the discussion/visit it is preferred that the responses to the items below will covered in a natural format. The questions will not necessarily be asked in a serial order

Security/HIPAA
- How does the system (your process) protect against the unauthorized access of client personal data?
- How does the system safeguard against unauthorized entry of the application that is responsible for the entry/transfer of PA data?
- What types of restraints/checks are present on data entry screens against editing of existing data?

Data Transmission Clean-up Turn-Around
- **How will you be notified of the status of a PA transmission?**
(Section II continued)…

- **If the transmission is not successful, what steps are followed in order to correct the transmission?**
- What is the typical turnaround time for PA clean-up?
- *Is there a backup or any redundancy for the transmission capability?*
- Is there a backup/restore (disaster recovery) procedure that is tested (on a scheduled frequency), evaluated, updated as necessary, documented?

General Procedure
- **Describe the business process, highlighting the I.S. components that interface in the process.**
- **Is there written/maintained documentation to support the usage of the system/transmission/interpretation of status?**
- Is there a unique identifier for each provider's service authorization request?
- **How is the service request tracked from its original submission to an authorized request?**
- **If the request is submitted via paper does it ever get transferred to an electronic record?**
- How/where is the data stored?
- What reports are used to help conduct the PA business?

III.   Prior Approval (PA) File Layout (HMKY9051)

The following is a layout of the file that will contain the Prior Authorization data that will need to be transferred for all applicable Medicaid covered services.
This file will need to be a flat file, fixed length (as specified below), and record delimited with <CR> (carriage return).

```
          ********** START OF COPY MEMBER HMKY9051
**********************************************************
*    NORTH CAROLINA VALUE OPTIONS PA RECORDS
*    INPUT TRANSACTION FILE
**********************************************************

      *01  (PREF)PA-TRANS-RECORD
           05  (PREF)SUBMITTAL-ID              PIC X(02).
               88  (PREF)VALUEOPTIONS          VALUE 'VO'.

           05  (PREF)ACTION-ID                 PIC X(01).
               88  (PREF)ACTION-INPATIENT      VALUE 'I'.
               88  (PREF)ACTION-INDEPENDENT    VALUE 'M'.
               88  (PREF)ACTION-OUTPATIENT     VALUE 'O'.
               88  (PREF)ACTION-PRTF           VALUE 'P'.
               88  (PREF)ACTION-RCC            VALUE 'R'.

           05  (PREF)SUB-SEC-CODE              PIC X(04).

           05  (PREF)STATE-CODE                PIC X(02).
               88  (PREF)NORTH-CAROLINA        VALUE 'NC'.

           05  (PREF)MID                       PIC X(10).
           05  (PREF)RECIPIENT-LNAME           PIC X(20).
           05  (PREF)RECIPIENT-FNAME           PIC X(09).
           05  (PREF)RECIPIENT-DOB             PIC 9(08).
           05  (PREF)START-DATE                PIC 9(08).
           05  (PREF)END-DATE                  PIC 9(08).
           05  (PREF)UNITS-APPROVED            PIC 9(03).
           05  (PREF)PA-NUMBER                 PIC X(13).
           05  (PREF)ADMISSION-DATE            PIC 9(08).
           05  (PREF)PROVIDER                  PIC X(13).
           05  (PREF)REFER-PROVIDER            PIC X(13).
           05  (PREF)DIAG-CODE-1               PIC X(05).
           05  (PREF)DIAG-CODE-2               PIC X(05).
           05  (PREF)DIAG-CODE-3               PIC X(05).
           05  (PREF)PROCEDURE-CODE            PIC X(05).

           05  (PREF)REC-TYPE                  PIC X(01).
               88  (PREF)REC-ADD               VALUE 'A'.
               88  (PREF)REC-CHANGE            VALUE 'C'.

           05  (PREF)PA-STATUS                 PIC X(01).
               88  (PREF)APPROVED              VALUE 'A'.
               88  (PREF)DENIAL                VALUE 'D'.

           05 (PREF)REC-ERROR-TABLE.
               10  (PREF)REC-ERROR-FLAG
                   OCCURS 21 TIMES
                   INDEXED BY (PREF)ERROR-INDX PIC X(01).

        ********** END OF COPY MEMBER HMKY9051 ************
```
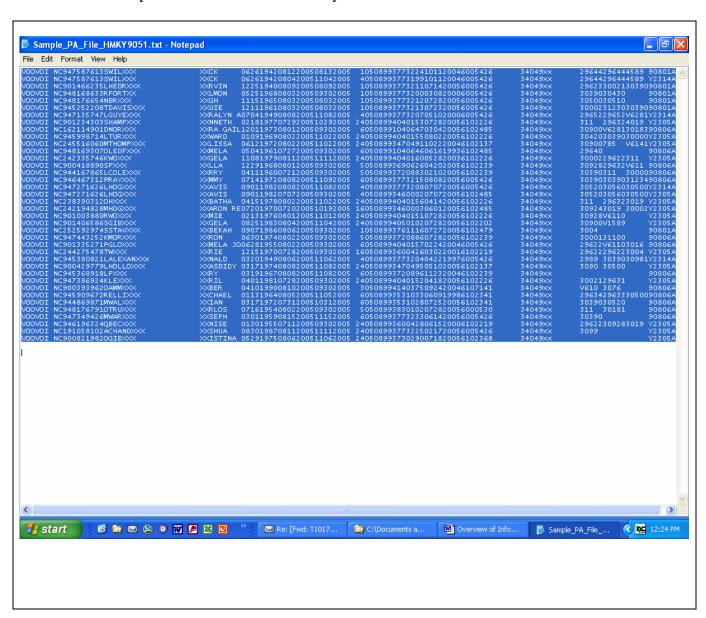
IV. Sample of PA file

Below is an example of the layout of the PA (HMKY9051) file. Consider this example when constructing your file.

Note: The last three characters in the last name and the first three characters in the first name have been replaced with 'XXX' for security cases.

V. Clarification of File Layout

The following are "Frequently Asked Questions" and clarifications pertaining to the production and layout of the PA file (HMKY9051).

1.) Units-Approved is a 3 digit field. If an LME needs to authorize 1000 or more units, should they be allowed to do so on one record? Should they break up their authorizations to fit this field length? Is this a business process question?

> *A - No, currently Value Options will send in multiple transactions for units approved with variable effective and end dates for units less than 999. this process will continue to be the same for units more than 999.*

2.) Please specify which provider number is being requested in the following fields...
> 05 (PREF) PROVIDER　　　　PIC X(13) at position 97
> *A - This field (above) is the submitting billing provider.*
>
> 05 (PREF) REFER-PROVIDER　　PIC X(13) at position 110.
> *A - This field (above) is the referring provider.*
>
> Is REFER-PROVIDER the base provider number (34049xx)?
> *A - Yes, the referring provider is the base provider number (34049xx).*
>
> Is Provider at position 97 the attending provider? Multi-specialty number?
> *A - This number is the multi-specialty provider number, or the submitted billing provider number.*
>
> Considering DPE, should they use the DMA issued numbers after they receive them for this field?
> *A - No, PA should be established using the base billing provider number.*

3.) DIAG-CODE　PIC X(05) at positions 123, 128 and 133. The value placed in these fields should not contain the period/decimal point. Correct?
> *A – Correct. The field should not contain the period/decimal point.*

4.) Should authorizations be given at the provider level or at the agency level?
> *A – Prior authorization should be given at the provider level.*

5.) PROCEDURE-CODE　PIC X(05) at position 138 should not contain modifiers. Correct?
> *A – Correct. The procedure code should not contain modifiers.*

6.) ADMISSION-DATE　　PIC 9(08) at position 89. Is this the date the consumer first contacts the LME or provider for treatment?
> *A – No, the admission date is the date that a recipient was admitted to the facility.*